

ALERT

GSA Seeks Industry Input On “Value Added” By IT Resellers, Hints At Potential Limits On Reseller Markup

January 28, 2026

What: On January 22, 2026, the General Services Administration (GSA) issued a Request for Information (RFI) seeking input from industry regarding the role of value added resellers (VARs) in the federal government’s procurement of information technology (IT) hardware and software. According to the RFI, this information is being requested to help GSA gain a clearer understanding of the “value added” services performed by resellers, and the resulting impact of these services on pricing. The RFI indicates that the information will help inform potential follow-on activities – including determining whether additional information may be necessary to confirm that reseller markups result in “fair and reasonable pricing,” as well as potentially establishing “additional controls to ensure the government receives fair and reasonable pricing when markups exceed a certain percentage threshold.”

When: The RFI was issued on January 22, 2026, with a deadline of **5:00 p.m. on February 9, 2026** for interested parties to respond. The RFI also indicates that GSA may potentially hold “individual follow-up meetings” as part of the follow-on activities anticipated by the RFI.

What It Means for Industry: The RFI is being undertaken as part of GSA’s “OneGov” initiative, which aims to change the way the federal government procures IT by working directly with original equipment manufacturers (OEMs) to achieve cost efficiencies and eliminate duplication (see here for our prior alert on GSA’s OneGov strategy). According to the RFI, information already gathered by GSA in connection with this initiative has identified “significant variance” in the value added services offered by resellers, as well as variance in

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the corresponding markup percentages applied by resellers to OEM prices. Therefore, to help GSA to better understand “the value added by resellers” and the resulting impact of these services on the pricing charged to the Government, the RFI includes a series of detailed questions regarding reseller practices in the government and commercial markets.

Specific Requests for Information. The RFI, which is being conducted using an online survey tool, requests basic information regarding the respondent (e.g., point of contact, size and type of business), as well as a series of questions regarding pricing practices associated with VARs, including the following:

- What are the “typical range of markups” applied by resellers in the commercial market?
- Are there any “key factors” (e.g., product type, volume, customer requirements, support levels, business size) that drive any variations in reseller markup?
- Whether “backend incentives and rebates” or sourcing from distributors impacts reseller pricing?
- Do any specific value added services or capabilities drive higher markups?
- Whether value added services and associated cost requirements differ when serving government versus commercial customers (e.g., compliance, security, specialized certifications)?
- Would “increased pricing transparency with GSA,” including “disclosure of markup percentages,” affect resellers’ competitive position or relationships with OEMs and customers?
- What information should GSA request to “most accurately and efficiently” determine that reseller pricing is “fair and reasonable” and “commensurate with the specific value added by VARs”?

Potential Follow-On Activities. According to the RFI, the information gathered by GSA will be used to gain a better understanding of the services performed by resellers and the impact on pricing, and ultimately to identify potential “cost-reduction strategies” for procurements made through resellers. In particular, the RFI indicates that GSA plans to use the information gathered through the RFI to assess whether “operational practices” for evaluating VARs should be updated – including “establishing additional controls to ensure the government receives fair and reasonable pricing when markups exceed a certain percentage threshold.” The RFI also indicates that GSA anticipates amending GSA Multiple Award Schedule solicitation shortly after receiving and evaluating feedback from the RFI.

Confidentiality, Other Considerations. The RFI provides a potential opportunity for resellers – whom the RFI recognizes as “indispensable allies” in GSA’s mission – as well as other interested parties, to provide GSA with information regarding the value that resellers provide in the government and commercial marketplace, as GSA considers making changes to the way it purchases IT products and services. Entities that choose to respond to the RFI should take care to review GSA’s “disclaimer” and instructions regarding the submission of proprietary information. Although GSA has committed to protect proprietary information from disclosure “to the extent permitted by law” – including the Freedom of Information Act (5 U.S.C. § 552) and applicable regulations – the RFI advises that responses may be shared within the Government and with Government support contractors, “subject to appropriate nondisclosure obligations.” In addition, the RFI places the burden on respondents to clearly identify and mark any proprietary, confidential, or competition-sensitive information

contained in their responses. Therefore, entities that respond to the RFI should carefully review their submissions and the applicable standards to ensure that they are adequately protecting their proprietary information against improper disclosure.

Wiley’s Government Contracts Practice will continue to monitor these developments and update contractors as GSA continues to move forward with its OneGov strategy and other procurement reform initiatives.